

House File 518 - Introduced

HOUSE FILE 518

BY KELLEY

A BILL FOR

1 An Act relating to alternate and renewable energy by creating a
2 school wind generation revolving loan and grant program and
3 fund within the Iowa energy center to fund wind generation
4 projects, modifying the authorized uses of physical plant
5 and equipment revenue, and making an appropriation.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 266.39C, Code 2015, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 7. The Iowa energy center shall establish
4 and administer the school wind generation revolving loan and
5 grant program pursuant to section 473.21.

6 Sec. 2. Section 298.3, subsection 1, paragraph g, Code 2015,
7 is amended to read as follows:

8 g. (1) Expenditures for energy conservation, including
9 payments made pursuant to a guarantee furnished by a school
10 district entering into a financing agreement for energy
11 management improvements, limited to agreements pursuant to
12 section 473.19, 473.20, or 473.20A.

13 (2) Expenditures for the construction of alternate energy
14 production facilities, as defined in section 476.42, subsection
15 1, or the modification or repair of existing alternate energy
16 production facilities.

17 Sec. 3. NEW SECTION. 473.21 School wind generation
18 revolving loan and grant program.

19 1. The Iowa energy center created under section 266.39C
20 shall establish and administer a school wind generation
21 revolving loan and grant program to encourage wind generation
22 projects at school districts and Iowa community colleges
23 within the state. For purposes of this section, "*wind*
24 *generation project*" means the purchase and installation at a
25 school district or Iowa community college of a wind energy
26 conversion system or systems that in the aggregate will produce
27 electricity which has a nameplate generating capacity not in
28 excess of one hundred kilowatts.

29 2. *a.* A school wind generation revolving loan and grant
30 fund is created in the office of the treasurer of state to be
31 administered by the Iowa energy center.

32 *b.* The fund shall consist of any moneys appropriated
33 or otherwise directed to the fund. Section 8.33 shall not
34 apply to moneys in the fund. Notwithstanding section 12C.7,
35 subsection 2, interest or earnings on moneys in the fund shall

1 be credited to the fund.

2 *c.* Moneys in the fund shall be used to provide grants
3 and loans to fund wind generation projects as provided in
4 subsection 3.

5 3. Any school district or Iowa community college in this
6 state may apply to the Iowa energy center to receive a grant
7 and loan for a wind generation project, which grant and loan
8 shall be available as follows:

9 *a.* A school district or Iowa community college may receive a
10 grant for an amount not to exceed forty percent of the purchase
11 and installation costs associated with that part of the wind
12 generation project that will produce electricity which has a
13 nameplate generating capacity of ten kilowatts or less.

14 *b.* (1) A school district or Iowa community college may
15 receive a loan for an amount not to exceed forty percent of the
16 remaining purchase and installation costs associated with the
17 wind generation project that were not used to calculate the
18 grant pursuant to paragraph "a".

19 (2) Each loan under this paragraph "b" shall be for a
20 period not to exceed twenty years, shall bear no interest,
21 and shall be repayable to the fund created under this section
22 in installments as determined by the Iowa energy center.
23 The interest rate upon delinquent payments shall accelerate
24 immediately to the current legal usury limit.

25 (3) Any loan made pursuant to this program shall immediately
26 become due for payment upon sale of the wind energy conversion
27 system for which the loan was made.

28 Sec. 4. SCHOOL WIND GENERATION REVOLVING LOAN AND GRANT
29 PROGRAM — APPROPRIATION.

30 1. There is appropriated from the general fund of the state
31 to the school wind generation revolving loan and grant fund in
32 section 473.21 for the fiscal year beginning July 1, 2015, and
33 ending June 30, 2016, the following amount, or so much thereof
34 as is necessary, to be used for the purposes designated:

35 For providing grants and loans to fund wind generation

1 projects as provided in section 473.21:

2 \$ 5,000,000

3 2. Notwithstanding section 8.33, moneys appropriated
4 pursuant to this section shall not revert but shall remain
5 available to the school wind generation revolving loan
6 and grant fund for the purposes designated until expended.
7 Notwithstanding section 12C.7, subsection 2, earnings or
8 interest on moneys appropriated pursuant to this section shall
9 be credited to the school wind generation revolving loan and
10 grant fund and used for the purposes designated until expended.

11 EXPLANATION

12 The inclusion of this explanation does not constitute agreement with
13 the explanation's substance by the members of the general assembly.

14 This bill establishes a school wind generation revolving
15 loan and grant program within the Iowa energy center, creates
16 a corresponding fund, and makes a \$5 million appropriation
17 to the fund for FY 2015-2016. Moneys in the fund will be
18 used to provide loans and grants to school districts and Iowa
19 community colleges to invest in wind generation projects.
20 "Wind generation project" is defined as the purchase and
21 installation of a wind energy conversion system or systems that
22 in the aggregate will produce electricity which has a nameplate
23 generating capacity not in excess of 100 kilowatts.

24 School districts or Iowa community colleges may apply to the
25 Iowa energy center to receive a grant and loan for the purchase
26 and installation costs of a wind generation project.

27 A grant not to exceed 40 percent of the purchase and
28 installation costs may be provided for that part of a wind
29 generation project that will produce electricity which has a
30 nameplate generating capacity of up to 10 kilowatts. If the
31 wind generation project will produce electricity which has a
32 nameplate generating capacity of greater than 10 kilowatts,
33 a school district or Iowa community college may receive the
34 grant listed above and a loan not to exceed 40 percent of the
35 remaining purchase and installation costs that are in excess of

1 those established for the grant.

2 Each loan provided in the bill shall be for a period not to
3 exceed 20 years, shall bear no interest, and shall be repayable
4 to the fund in installments determined by the Iowa energy
5 center. The interest rate upon delinquent payments shall
6 accelerate immediately to the current legal usury limit. Loans
7 shall become due immediately upon the sale of the wind energy
8 conversion system for which the loan was made.

9 Additionally, the bill adds as one of the authorized uses
10 of physical plant and equipment levy revenues by a school
11 district expenditures for the construction of alternate energy
12 production facilities as defined in Code section 476.42,
13 subsection 1, or the modification or repair of existing
14 alternate energy production facilities.